

Montana Public Service Commission  
1701 Prospect Avenue  
PO Box 202601  
Helena MT 59620-2601

For more information, contact:  
Mike Lee - 406-444-6185 or e-mail: mlee@mt.gov

November 6, 1996

PSC SCHEDULES NOVEMBER 8 HEARING  
ON PROPOSED MPC ELECTRIC RATE AGREEMENT

The state Public Service Commission will hold a public hearing Friday, November 8, concerning a proposed agreement to settle the pending Montana Power Company electric rate design case. The hearing will begin Friday at 1:30 p.m. in the Bollinger Room at the PSC, 1701 Prospect Avenue, in Helena.

The issue before the commission is whether to approve a stipulated agreement to settle the electric rate design issues as proposed by MPC, the Montana Consumer Counsel, District IX Human Resource Development Council, the large customer group, and Colstrip Energy Limited Partnership. The proposed settlement provides for rates to be collected from each of MPC's electric customer classes to allow the company to meet its revenue requirement of \$369.6 million approved last May by the PSC.

If the settlement is approved, the basic winter usage block for which residential customers are billed at a lower rate under MPC's current residential winter rate structure would be reduced from 600 kilowatt-hours to 400. Residential customers would pay 1 cent more per kwh for their usage exceeding 400 kwhs each month in the winter months, compared to almost 2 cents more under the current design. In addition, the residential monthly service charge would increase from \$3.75 to \$4 per month.

These changes would take effect January 1, 1997, at the same time a 2.4 percent rate increase is scheduled which was the result of a separate electric rate case.  
- more -

Page 2 --- PSC HEARING ON MPC ELECTRIC RATE DESIGN

Other items contained in the proposed agreement include:

- Introducing voluntary time-of-use rates that will be available initially to 250 residential customers with average winter monthly consumption of at least 2,500 kwhs and to commercial customers with an average annual billing demand of 500 kW or more.
- Introducing real-time pricing on an individual contract basis to general service customers with an average annual load of at least one megawatt.
- Combining the substation and transmission rate classes into a single rate class.

- Consolidating the existing streetlighting, outdoor lighting and post-top lighting tariffs into one rate schedule.